

PSJ15 Exh 41

Addiction Treatment Business



Vision



Types Of Addictions:

Heroin
Opiate
Alcohol
Cocaine
Bulimia
Smoking
Gambling
Sexual

Etc.

- Market Focused
- Pharmaceutical Resource
- Broad Range Of Products & Services

Methadose[®]

methadone hydrochloride tablets, USP

methadone hydrochloride oral concentrate, USP

Methadone Maintenance Treatment



- Used for Opiate addiction since 1950's
- Most studied and regulated drug in U.S.
- Most effective method for treating opiate addiction
- Patients in treatment grew from 120K in 1995 to 180K in 1998 (now ~200K)
- Average dose of methadone rose from 55mg to 70mg during same period (now ~75-80mg)

Illicit Opiate Use

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- 800M to 1.2MM heroin users in U.S.
- Purity and low cost causing rise in use
- Heroin users younger than ever before
- OxyContin abuse is changing the market
- Coming changes in regulations should make methadone treatment more available and increase the number in treatment

Why Methadone?

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- Most cost effective treatment form
- Prevents withdrawal
- Prevents “high” if opiates are used
- Allows patient to lead normal life when properly dosed (patients are not walking “zombies”)

U.S. Market For MMT



- Products
 - Liquid(10mg/mL)
 - Tablets (40mg and 5mg primarily)
 - Powder
- Value of market ~\$23MM

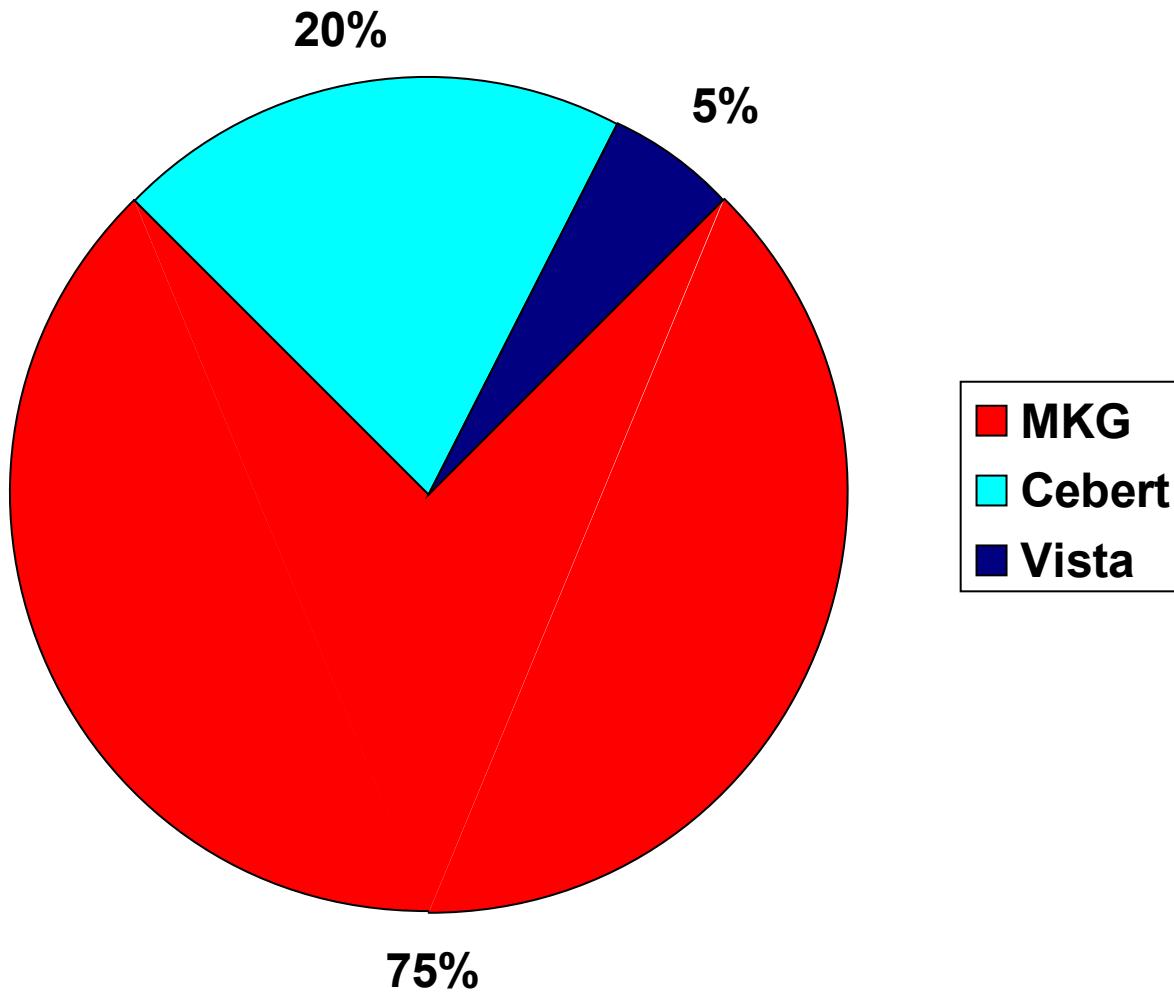
MMT Clinics

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- Methadone Maintenance Treatment (MMT) Clinics:
 - are highly regulated
 - have special licenses
 - provide counseling and medicine

MMT Market Share

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MMT Market Dynamics

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- Roxane
 - Cut their sales force in December 2000
 - Moved production in-house from Lilly in June 2001
 - Result of transition has been quality problems (broken tablets, short counts), late shipments, unhappy customers and lost business
- UDL(Mylan)
 - Ran out of product in October 2000 (bought from MI for four months)
 - Exited the market in February 2001 (returned four months later)
 - Resulted in customers lost confidence and lost business

MMT Market Dynamics

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- Roxane —————> Cebert
 - Licensed AT rights to the methadone products in September 2001
 - Copying MI where they are deficient (Methasoft) and promoting the strength they do have
 - Pricing is highest
- UDL(Mylan) —————> Vista Pharm (GeriMed)
 - Sold plant and AT products in November 2001
 - One sales rep (Ray Porra)
 - Competes only on price (pricing is the lowest) and relationships

MMT Market Dynamics



- Prior to Roxane, Ceber's products were owned by Lilly
- MI is the stable force in the market place
 - In this market since the 1970's
 - Supports the market with educational materials among other things
 - Continues to add new products
 - Has the support of upper management

MMT Competitor Comparison

Product	Mallinckrodt	Cebert	Vista
Cherry Liquid	X	X	X
Clear Liquid	X	X	
White Tablet	X	X	X
Orange Tablet		X	
Powder	X	X	X
Manual Dispenser	X	X	
Computer System	X	X	
ZT Pump	X	X	
Educational Materials	X		
Sales Force	5	1	1

The Future

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- MI looking to increase our product offering
- Reached agreement with CSM to sell the M4
 - ID System
 - ZT Pump
 - New Platform
 - CSM to manage the help desk

Depade
naltrexone hydrochloride
tablets, USP